

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4116-01  
Bill No.: HB 1620  
Subject: Appropriations; State Employees; Transportation Dept.  
Type: Original  
Date: March 19, 2002

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Other Fund</b>	(Unknown)	(Unknown)	(Unknown)
<b>Highway Fund</b>	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

-Subject to Appropriations-

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Officials with the **Office of Administration - Division of Budget and Planning** assume this proposal will have no fiscal impact to their agency.

Officials with the **Department of Transportation** indicate that it is difficult to speculate precisely if and what the fiscal impact will be to the department. While the bill's purpose is to adjust salaries in order to stay competitive, some MoDOT salaried employees may already receive a "competitive salary" while others may not. The fiscal impact of this bill would be directly related to the amount of increases in salaries MoDOT is required to pay its employees in conjunction with the cost of the job studies that the bill requires. Based on similar service currently contracted with Deloitte & Touche, such job studies are estimated to cost \$700,000 each. This portion of the fiscal impact will be incurred every five years.

The bill requires a maximum of three pay brackets per grade which MoDOT assumes to mean that each pay grade would have a minimum, middle, and maximum rate or "step". MoDOT's current salary grades have seventeen rates/steps, which allows needed flexibility when considering salary relativity for promotions, as well as rates which differentiate an experienced employee in a job from an employee relatively new to his or her position.

Officials with the **Missouri Highway and Transportation Employees and Highway Patrol Retirement System (HRS)** assume the proposed legislation would appear to have no fiscal impact on HRS funds.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
Other Fund	(Unknown)	(Unknown)	(Unknown)
Highway Fund	(Unknown)	(Unknown)	(Unknown)
<b>Estimated Net Effect on <u>All State Funds</u>*</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>

\*Subject to Appropriations

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0

### FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

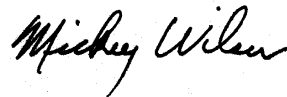
### DESCRIPTION

This bill requires the Highways and Transportation Commission to administer a comprehensive job study every five years for all salaried employees. Salaried employees will have a maximum of three pay brackets per pay grade. No salaried employee will receive a reduction in pay to bring that employee into the revised pay bracket.

On July 1 of each year every salaried employee's monthly salary will be increased by the Consumer Price Index for all urban consumers not to exceed 5%. The increase will be subject to appropriations.

### SOURCES OF INFORMATION

Office of Administration  
Department of Transportation  
Highway Department and Highway Patrol Employees Retirement System



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Acting Director  
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